

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**DECLARATION OF JAKE CORMACK IN SUPPORT OF CREDITOR BLOOMING
TRIUMPH INTERNATIONAL LIMITED'S OBJECTION TO DEBTORS' FIFTY-SIXTH
OBJECTION TO CUSTOMER CLAIMS WITH RESPECT TO CLAIM NUMBER 80491**

I, Jake Cormack, hereby declare under penalty of perjury the following:

1. I am over 18 years of age. I am the director and executive officer of Blooming Triumph International Limited a ("Blooming"). The statements made herein are based on my own personal knowledge, and/or from a review of Blooming's business records. This declaration is made in support of Blooming's Objection to Debtor's Fifty-Sixth Objection to Customer Claims With Respect to Claim Number 80491 (the "Objection").

2. Blooming is the valid owner of claim no. 80491 in this matter (the "Claim"). Through intermediaries, Blooming was assigned the Claim (with the Claim's original holder being Albus Capital SPC ("Albus")). A true copy of the assignment of this Claim as well as the proof of claim filed in this matter is attached hereto as Exhibit A.

3. The Claim is the only claim referenced in FTX Trading Ltd. and its affiliated debtors and debtors-in-possession (collectively, the "Debtors") fifty-sixth omnibus claims objection filed on July 1, 2024 Docketed with this Court as Dkt. No. 19185 (the "Claim

Objection”) which Blooming is objecting to in the Objection. A copy an excerpt of the Claim Objection with respect to Blooming’s Claim is attached hereto as Exhibit B.

4. While the Objection is made only with respect to the Claim, Blooming also owns and filed claim numbers 80785, 81211, 82678, 81880, 81962, 82293, and 82425 (which are not being objected to) as follows: Blooming is the valid owner of claim no. 80785 in this matter. Through intermediaries, Blooming was assigned claim no. 80785 (with its original holder being CrossTower Bermuda Ltd). A true copy of the assignment of this claim as well as the proof of claim filed in this matter is attached hereto as Exhibit C. Blooming sought approximately \$19,121,724 by way of claim number 80785 and the Claim Objection does not propose a significant revision to this amount. Blooming is the valid owner of claim no. 81211 in this matter. Blooming was assigned claim no. 81211 by Bequant Prime Limited. A true copy of the assignment of this claim (detailing the history of this claim’s assignments) as well as the proof of claim filed in this matter is attached hereto as Exhibit D. Blooming sought approximately \$7,037,619 by way of claim number 81211 and the Claim Objection did not seek to reduce this amount. Blooming is the valid owner of claim nos. 82678, 81880, 81962, 82293, and 82425 in this matter. Blooming was assigned claim nos. 82678, 81880, 81962, 82293, and 82425, and this was confirmed by broker Bequant Pro Limited. A true copy of the assignment of this claim as well as the proofs of claims filed in this matter are attached hereto as Exhibit E. Blooming sought approximately \$116,809 by way of claim numbers 82678, 81880, 81962, 82293, and 82425 and the Claim Objection did not seek a significant revision to this amount.

5. To be clear, in regard to any claim that is part of a larger brokerage account, Blooming is only claiming those amounts entitled to it under the respective brokerage account.

6. Unlike other assets on the FTX exchange, such as crypto currencies like Bitcoin and Ethereum, there is no similar line-item balance for perpetual futures. Instead, the profit or loss incurred on account of a perpetual futures position is updated in near real time on a customer's account under the USD (or other fiat-currency) ticker.

7. As of the November 11, 2022 petition date (the "Petition Date"), the profit and loss from of all perpetual futures contracts in the Albus FTX had been accounted for in the USD ticker on the account, because, as described herein, the profits and loss of all perpetual futures are credited or debited from the USD ticker in near-real-time depending on the value of the underlying asset.

8. Therefore, the profit or loss of all perpetual futures contracts in the Albus FTX account were included in the Claim because they were accounted for and reflected in the USD ticker (whether that position was a gain or a loss). Aside from this, the perpetual futures positions in the account did not affect the balance or amount of funds on the account. Therefore, it is improper for the Debtors to assign a negative equity value to Blooming's short perpetual futures positions.

9. As of the Petition Date, Albus had taken a short position in Dogecoin (ticker DOGE-PERP) in the amount of 30,351,432 units (the "Short DOGE-PERP Position").

10. According to Blooming's records, the average price of each DOGE-PERP contract in the Short DOGE-PERP Position was \$0.12187.

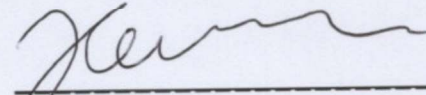
11. FTX, by updating the profits and losses on account of the Short DOGE-PERP Position in near-real-time, credited the Albus account with approximately \$1,442,330 USD in profits on account of the Short DOGE-PERP Position as of the Petition Date, and these profits were part of the 5,341,286.43 USD that Blooming ultimately sought in the Claim.

12. The correct value of the Claim is at least \$9,428,984.

[Signature Page Follows]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 11, 2024



Jake Cormack